

This overview explains the difference in cutout values between the traditional LM\_XB403 daily boxed beef cutout USDA has published for many years, and the newly released LM\_XB463 weekly comprehensive boxed beef cutout made possible with the implementation of Mandatory Price Reporting (MPR). Both cutouts are derived from boxed beef sales of fed, non-dairy source steer and heifer beef.

The traditional daily boxed beef cutout started under voluntary reporting and continuing under MPR, is limited to negotiated sales delivering within 21 days domestically, commonly referred to as the “spot” market. The daily cutout also is limited to product from the USDA Choice and Select grades. A weekly average of the daily cutout is published every Friday.

The new weekly comprehensive cutout is based on all boxed beef sales and combined into a single weighted average carcass cutout value. Additionally, there are supplemental cutouts reflecting total sales of Prime, Branded, Choice, Select and Ungraded product. The key point to remember is the daily LM\_XB403 Choice and Select cutouts are driven by the spot market only, whereas the total Choice and Select cutouts from the weeklyLM\_XB463 comprehensive report includes the spot market as well as formula and contract sales, along with export sales and negotiated business done out front. The beef sales criteria used in calculating the USDA cutouts are further defined in the table below:

	Comparison of boxed beef sales criteria used in calculating the new weekly cutouts versus the traditional daily boxed beef cutout							
	LM_XB463 Weekly Comprehensive Cutout report						LM_XB403 Daily	
	Comprehensive Total Cutout	Total Prime Cutout	Total Branded Cutout	Total Choice Cutout	Total Select Cutout	Total Ungraded Cutout	Daily Choice Cutout	Daily Select Cutout
USDA Grade	Prime Choice Select Ungraded	Prime	Choice	Choice	Select	Ungraded	Choice	Select
Branded Designation	Branded and Unbranded	Branded and Unbranded	Branded only	Unbranded only	Branded and Unbranded	Unbranded only	Unbranded only	Unbranded only
Purchase Type	All types	All types	All types	All types	All types	All types	Negotiated only	Negotiated only
Delivery Period	All Periods	All Periods	All Periods	All Periods	All Periods	All Periods	0-21 Days	0-21 Days
Destination	Domestic and Export	Domestic and Export	Domestic and Export	Domestic and Export	Domestic and Export	Domestic and Export	Domestic only	Domestic only
NOTE: LM_XB459 NATIONAL WEEKLY BOXED BEEF CUTOUT AND BOXED BEEF CUTS is an average of the daily LM_XB403s								